

GEORGIA REVENUE QUARTERLY



Roy E. Barnes, Governor

T. Jerry Jackson, Commissioner

Tax Booklets Mailed To State's Taxpayers

Beginning the last week of December, the Georgia Department of Revenue mailed tax preparation instruction booklets to approximately 1.9 million Georgia taxpayers in preparation for the 2000 tax-filing season.

As a cost saving measure, approximately 852,000 electronic filers from last year and 464,000 potential TeleFiling taxpayers were not be mailed a tax booklet.

"We encourage those who filed electronically last year to do so again this year," said Bobby Goolsby, Director of the Department of Revenue's Income Tax Division.

He added, "this year, individuals with a balance due can file electronically."

Goolsby explained that the benefits of electronic filing include faster refunds, more accurate returns and eliminates manual processing of paper returns.

Goolsby announced that the state is introducing TeleFiling this year for eligible taxpayers.

"TeleFiling is for single taxpayers with no dependents, who earn less than \$57,200 in total income and are eligible to file their federal return by TeleFiling," he explained.

Potential TeleFilers will receive federal booklets from the Internal Revenue Service and state booklets from the Georgia Department of Revenue.

"Just like electronic filing, TeleFiling will speed up your refund," Goolsby said. "However, taxpayers cannot TeleFile unless they receive the federal TeleFile packet."

"Individuals who receive the packets and cannot TeleFile can contact the Department of Revenue for assistance or visit our website at www.state.ga.us/departments/dor," added Goolsby.

Information, forms and assistance in filling out tax returns is available at any of the Department's regional offices, the DOR web site or by calling 404-656-8477 within metro Atlanta; outside the metro area call 877-602-8477.

DOR's Voluntary Disclosure Program

The Georgia Department of Revenue initiated its Voluntary Disclosure Program in 1994 in an effort to promote compliance for taxpayers doing business in Georgia.

Since its inception, the program has experienced significant growth and has been acknowledged as being an efficient mechanism for the Department to enhance compliance across a variety of tax types.

The Department has made the disclosure process a relatively simple and painless procedure for both practitioners and taxpayers.

In order to initiate a disclosure action, a practitioner should submit a fact letter which details the taxpayer's activities in Georgia. The letter should include specific information on the nature of the taxpayer's business, how they conduct business and how long they have been conducting business.

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Georgia Taxpayer Assistance

Atlanta (30334)
426 Balcony Level
West Tower
Floyd Building
(404) 656-4071

Albany (31707)
2700 Palmyra Road
(229) 430-4241

Athens (30622)
190 Ben Burton Circle
(Bogart, GA)
(706) 542-6058

Augusta (30907)
Interstate West Office Park
1054 Claussen Road
Suite 310
(706) 737-1870

Columbus (31901)
307 15th Street
Room 215
(706) 649-7451

Douglas (31533)
111 North Coffee Avenue
(229) 389-4270

Lithia Springs (30122)
351 Thornton Road
Suite 101
(770) 732-5812

Macon (31211-1493)
630 North Avenue
Suite B
(478) 751-6014

Morrow (30260)
3000 Corporate Center Drive
Suite 210
(770) 960-2000

Rome (30161-6494)
1401 Dean Street
Suite E
(706) 295-6667

Savannah (31405)
6606 Abercorn Street
Room 220
(912) 356-2140

Tucker (30064)
2082 E. Exchange Place
Suite 120
(770) 724-6500

Commissioner's Letter

As the 2000 Income Tax filing season approaches, filing a Georgia income tax return has never been easier. In addition to offering enhancements to our popular electronic filing option, we have introduced a new TeleFile option this year which requires only your touch-tone telephone.

We are pleased to announce that for qualifying taxpayers, Georgia now offers the option to TeleFile your income tax return. To be eligible, an individual must have received a TeleFile booklet from the Internal Revenue Service, earn less than \$57,200 in total income and be a single taxpayer with no dependents. As many as 400,000 Georgia individual taxpayers will be eligible for touch-tone filing this year.



Commissioner Jackson

cally.

This year we have also implemented our new customer service program, Taxpayer Information Programs and Services, (TIPS) to assist taxpayers. If you need tax assistance or if you have general questions, please try the following numbers - within metro Atlanta call 404-656-TIPS (8477) or outside the metro area call toll-free 877-602-TIPS (8477). We are confident that this customer service initiative will improve our responsiveness to you.

Of particular interest to Georgia homeowners, Governor Barnes has requested funds from the General Assembly totaling \$249 million to fund the third installment of his homestead exemption tax credit initiative. If appropriated by the General Assembly, each homeowner will receive homestead relief this year which equates to \$20,000 in fair market value. Georgia's average millage rate is 32 mills, which means the average homeowner will save \$256 in homestead relief. Since its inception in 1999, \$201,808,588.39 has been reimbursed to local governments to cover the amount of the tax credit authorized by the legislature. For more detail, I invite you to visit our web page at www.state.ga.us/departments/dor.

T. Jerry Jackson, Commissioner

Changes In Sales Use Tax

For Contractors, Subcontractors

During its 2000 session, the Georgia legislature amended some of the sales and use tax laws pertaining to contractors and subcontractors.

General or prime contractors are no longer required to notify the state of any contract or series of contracts on a single project that are for less than \$250,000 nor are they required to withhold the two percent retainer.

General or prime contractors are still required to notify the state when they let a contract or series of contracts for \$250,000 or more to a subcontractor. The notifica-

tion must be done using Form S&U 214-1.

Out-of-state contractors are still required to post a nonresident contractor's bond for projects over \$10,000. The sales and use bond is optional for out-of-state contractors, however, if they do not post the bond for projects over \$250,000, the general or prime contractor is required to retain two percent.

Every in and out-of -state contractor is required to file an application for a Certificate of Registration with the Georgia De-

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Jeremie Peterkin Named DOR Controller

Jeremie Peterkin was named controller, a newly created position within the Department of Revenue, on Jan. 2.

"Our hiring of Jeremie marks another important step towards establishing a strong financial and accounting department as well as developing and implementing state-of-the-art accounting systems and internal controls for the Department," said Commissioner T. Jerry Jackson.

Peterkin's first initiative will be implementing the revenue collection and disbursement module of the Department's Peoplesoft accounting system.

Prior to assuming his new duties, Peterkin was a Professional Associate with Jefferson Wells, International, where he was in charge of highly specialized projects for major corporations. He has also held positions with Walt Disney Company in Burbank, Calif., Coca-Cola Enterprises, Inc. in Atlanta, and Price Waterhouse Coopers LLP, in Boston and Atlanta.

He has a bachelor's degree in accounting from Bentley College in Massachusetts and is a certified public accountant.

Revenue Agents Increase Tobacco Monitoring

Georgia Commissioner of Revenue T. Jerry Jackson announced on Nov. 15, that Revenue Agents would be increasing their monitoring of retail establishments that sell tobacco products.

"Our agents will be concentrating on enforcing the state's underage laws regarding tobacco products," said the Commissioner. "Georgia law prohibits individuals under the age of 18 from purchasing cigarettes or tobacco related objects. The law also prohibits the sale of cigarettes and tobacco related objects to minors and it prohibits the purchasing of cigarettes and tobacco related objects for a minor unless the minor is the child of the purchaser."

The Department of Revenue assumed responsibility for enforcing the state's underage laws regarding tobacco products on July 1.

Forms Available Via Mail, Fax, Internet

Tax Forms can be obtained from the Department of Revenue by mail, fax or by downloading them from the DOR website.

Mail requests should be addressed to Georgia Income Tax Forms, P.O. Box 740389, Atlanta, GA 30374-0389. The request should indicate the specific form(s) and quantity desired. Some forms are in limited supply and delivery could take three to four weeks.

Form requests can be made by telephone for fax delivery 24 hours a day by calling (404) 656-4293. To receive a list of the 26 forms available via fax-on-demand, select Option 1. After receiving an index, requests can be made for specific forms by selecting Option 2. If your order has not been received within 30 minutes, you should reorder. Selected forms can be ordered by voice mail by selecting Option 3. Up to 16 different forms can be ordered with each phone call.

Forms can be downloaded from the DOR website at www2.state.ga.us/departments/dor/ and following the link to forms.

To obtain federal forms, call the Internal Revenue Service at 800-829-3676.

Georgia's Estimated Tax

Who must file: Individuals or fiduciaries subject to Georgia's income tax who expect to have gross income which exceeds (1) personal exemption plus (2) credit for dependents plus (3) estimated deductions, plus (4) \$1,000 income not subject to withholding.

Purpose: To enable taxpayers having income not subject to withholding to cur-

rently pay their income tax.

Payment Dates: Payment in full of estimated tax may be made with the first installment or in equal installments during the year on or before the 15th of April, September and the following January.

See pages 15 and 16 of the Georgia Income Tax booklet (IT 511) for additional information or visit DOR's website.

DOR Website Gains In Popularity With Georgia Taxpayers

Statistics for the Georgia Department of Revenue's website continue to show increased usage by Georgia's taxpayers.

A new record for "hits" was established in April 2000 with 1,559,069, of which 725,740 were requests for web forms.

Total "hits" in April 2000 increased by 104.3 percent compared to April 1999. Hits on the DOR homepage and requests for forms increased by 91.6 percent and 103 percent, respectively, compared to April 1999.

During this period, mail requests and walk-in requests for forms decreased by 12 percent and 45 percent, respectively.

Between April and September 2000, total hits increased by 120 percent. Homepage hits increased 79 percent and requests for forms increased 122 percent over the corresponding period in 1999.

During the same April-September 2000 period, mail requests and walk-in requests for forms decreased by 32 percent and 48 percent, respectively.

Clearly, since the DOR launched its website on July 1, 1996, taxpayers have taken increased advantage year-by-year of both tax forms and other comprehensive information offered by the Department's various tax divisions.

It is expected that both taxpayer demand and the cumulative number of "hits" registered will continue to grow as the Department adds ever-more sophisticated applications to the site.

The DOR Website can be accessed round-the-clock at www2.rev.state.ga.us/departments/dor/.

(By Bill Pearce, DOR Web Master)

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partment of Revenue. Contractor forms are available on the DOR web site at www2.state.ga.us/Departments/DOR/.

Questions should be directed to Kelli Womack, DOR Sales and Use Tax Operations Manager, at 404-651-9559.

**Reminder
Filing Deadline
Is April 16**

Sales-Use Tax 2001 Seminar Schedule

Date	Location	Telephone
January 30	Valdosta State University, Valdosta	229-245-3738
March 7	Dalton State College, Dalton	706-272-2700
March 22	Ogeechee Technical Institute, Statesboro	912-681-5551
April 3	Kennesaw State College, Kennesaw	770-423-6450
April 6	Kennesaw State College, Kennesaw	770-423-6450
May 14	Dartion College, Albany	912-430-4303
May 17	The Floyd College, Rome	706-295-6326
May 23	Heart of Georgia Technical College, Dublin	912-681-5551
June TBA	Maloof Auditorium, Decatur	404-373-6930
July 18	Gainesville College, Gainesville	770-531-5681
August TBA	Clayton College & State University, Morrow	770-961-3440
August 22	Gwinnett Justice & Administration Center Auditorium, Lawrenceville	770-806-2124
August 23	Gwinnett Justice & Administration Center Auditorium, Lawrenceville	770-806-2124
September 5	Georgia Power Building, Atlanta	404-651-3550
September 6	Georgia Power Building, Atlanta	404-651-3550
October 17	Columbus State University, Columbus	706-272-2700
October 18	Macon State College, Macon	912-751-6592
October 24	Macon State College, Macon	912-751-6592
November 8	Russell Research Center, Athens	706-542-2134
November 15	Augusta Technical Institute, Augusta	706-737-1790
November 29	Russell Research Center, Athens	706-542-2134
December 4	Kennesaw State College, Kennesaw	770-423-6450
December 6	Kennesaw State College, Kennesaw	770-423-6450

All sessions begin at 8:30 a.m. and conclude at 5 p.m.

DOR's Voluntary Disclosure Program Continued

ness in Georgia.

If nexus is an issue, the fact letter should contain sufficient information to enable the Department to make a reasonable determination of the taxpayer's nexus for sales and use taxes and corporate income and net worth taxes. It is not necessary to identify the taxpayer in the initial fact letter.

The Department's position on each disclosure is based on the individual fact pattern for each taxpayer. In order to be considered for the disclosure program, the taxpayer must not be currently under investigation by the Department and must not have received prior notification from the Department of an outstanding liability.

If a taxpayer has substantial nexus with Georgia for sales and use tax or corporate income and net worth tax, the Department will generally agree to limit prior

period liability to three years from the date of a taxpayer's initial written inquiry to the Department or to the date nexus was established, whichever is the lesser period. The taxpayer will be required to remit any tax and interest which may be due and the Department will agree to waive all penalties which may otherwise be imposed for the disclosure period. These guidelines also apply to disclosure requests for personal income tax and withholding tax.

In situations where a taxpayer may have collected sales tax and failed to remit the tax, the Department will extend the prior period exposure beyond three years to recover all taxes which were collected and not remitted. Under these circumstances a taxpayer will still qualify for a waiver of penalty provided the outstanding tax and interest due is paid. In situations involving withholding taxes, the Department will

generally agree to limit prior period liability to three years, provided the taxpayer can provide documentation that all of the taxpayer's employees had filed personal income tax returns and had reported all income earned from the employer for those periods, which are outside the three-year look-back period.

In the event withholding taxes had been withheld and not remitted, the Department will require that the look-back period be extended beyond three years to recover all taxes which were withheld and not remitted.

All disclosure inquiries should be directed to: Clark Ramirez, Program Manager-Audits Compliance Division, 270 Washington Street, Room 108, Atlanta, GA 30334. The telephone number is 404-651-5412.

(By Clark Ramirez, Department of Revenue Compliance Division.)

Collections Increase 7.2% During First Half FY 2001

State Revenue Commissioner T. Jerry Jackson announced on Jan. 8, that net revenue collections for the first six months of fiscal year 2001 totaled \$6,797,682,357.64 compared to \$6,340,469,765.94 for fiscal year 2000, an increase of \$457,212,591.70. The percentage increase for the fiscal year is 7.2 percent.

For the month of December, net revenue collections totaled \$1,112,738,978.61 compared to \$1,052,864,790.29 for last December, an increase of \$59,874,188.32. The percentage increase for the month was 5.7 percent.

FY 2001 Through December Compared to FY 2000 Through December

Revenue Source	Total	Difference	Percentage
*SALES & USE	2,547,550,366.56 up	160,588,897.41	6.7%
MOTOR FUEL	223,716,252.39 down	(1,711,093.24)	-0.8%
INDIVIDUAL INCOME	3,295,166,914.63 up	289,012,910.21	9.6%
CORPORATE INCOME	341,954,588.38 down	(24,421,627.23)	-6.7%
CIGAR & CIGARETTE	35,450,499.80 up	2,116,937.60	6.4%
MOTOR VEHICLE	97,579,892.13 up	4,497,896.64	4.8%
LIQUOR	18,024,169.81 down	(62,258.29)	-0.3%
MALT BEVERAGE	36,982,404.36 down	(4,549,017.69)	-11.0%
ESTATE	69,518,216.82 down	(21,260,706.26)	-23.4%
PROPERTY	23,583,870.63 down	(190,010.62)	-0.8%
WINE	8,656,258.03 down	(1,030,649.31)	-10.6%
MISCELLANEOUS	99,498,924.10 up	54,221,312.48	119.8%

*Includes 2nd Motor Fuel Tax (6 months) - \$113,473,728.07

Visit DOR's Website At www2.state.ga.us/Departments/DOR